CHAPTER 11

CITIES AND CHANGE

Where you find both good and evil, there you find a city.
—*Hindu Proverb*

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INTRODUCTION

It is a cliché that we live in an age of urban crisis. Crime, racial division, pollution, congestion, and alienation all have been attributed in one degree or another to urban life. Take Los Angeles as an example. A planner described the Los Angeles of the 1920s and 1930s as "a federation of communities coordinated into a metropolis of sunlight and air."[1] No such claims are made today. More common are books such as *City of Quartz*, which paint a dark picture of L.A. as a location of Dickensian extremes.[2] The same is said to be true of other cities. Certainly there is no lack of prophets to passionately catalog urban ills.

THE URBAN CRISIS: THESIS

The last decades of the twentieth century heard voices raised everywhere proclaiming the inevitable decline, if not death, of the city.[3] In 1990 the mayor of Los Angeles warned, "If we do not save our cities we shall not save the nation."[4] Some urban scholars were no less pessimistic, contending that the worst still lies ahead. Thirty years ago Sternlieb stated, "The Newarks of America are forecasts of things to come, and if we want to understand the probable future that faces many of our older cities, then we will first have to get clear on what is happening—has happened—in places like Newark."[5] Contemporary twenty-first-century predictions of urban collapse can be found in Harris and Curtis's *Locked in the Poorhouse*, while Kotkin has been writing for decades that talk of urban revival is mostly hype.[6]

Are these pessimistic predictions accurate? For much of the last half of the twentieth century it looked like they might be. Cities experienced riots,

deindustrialization, drugs, and crime. Well-paying manufacturing jobs left the industrial cities, while the cities no longer provided entry-level opportunities or upward mobility for newcomers such as African Americans and Hispanics. The crisis was seen as a permanent long-standing one of opportunity, rather than a short-term one of fiscal management.[7] As both black and white middle-class taxpayers and their dollars departed, municipal payrolls and public assistance expenditures increased. Growing numbers of poor residents needed expensive services while depressing revenues. Cities were becoming polarized between the affluent and the poor. (The income of one in five New Yorkers is below the poverty line.) Aging city properties also require more fire and police protection, and older street, lighting, and sewer systems require more maintenance. Pessimists saw Detroit as an example of what was to come with cities having their vital signs maintained by external life support systems. The 1992 eruption of looting and burning in South-Central Los Angeles set off by a police beating seemed to confirm the worst fears. The resulting fifty-eight deaths, 5,600 businesses looted, and approximately 15,000 arrests seemed to suggest the country was about to re-experience the widespread urban destruction of the late 1960s.

URBAN REVIVAL: ANTITHESIS

Then an interesting thing happened. Starting in the early 1990s urban crime began to drop sharply across the country, urban economies revived, urban housing upgraded, and the quality of urban life noticeably improved. The last two decades have witnessed a rebirth of hope. Urban crime declined nationwide by two-thirds in the twenty years between 1994 and 2014. At the same time cities from Columbus to Memphis to Miami to Los Angeles rediscovered their downtowns, and the renovation of selected older neighborhoods picked up. The media discovered that the city was not only alive, but healthy. An urban renaissance was taking place. Suddenly the urban crisis was said to have left town and the slumming of the suburbs became the problem. Downtowns were again said to be full of people and showing economic vigor. Young dual-income couples rediscovered the city as a place of residence.

Millennials (Gen Y) favor city living more than Baby Boomers or even Generation X. In New York City the subways are again safe, and the seedy Times Square and drug-infested 42nd Street of two decades ago is now history. Today Times Square is a revitalized and lively entertainment district. Today new professional sports parks are being built in the city, not the suburbs—be it Camden Yards in Baltimore, U.S. Cellular Field (Comiskey Park) in Chicago, AT&T Park in San Francisco, or the new Yankee Stadium.

Washington, DC—which in 1995 was effectively bankrupt, and facing collapsing services in spite of having one of every twelve city residents on the city payroll—now is on an economically sound footing and showing clear signs of both physical and social improvement. Moreover, the housing bust did less damage to urban than outer suburban property prices. The Census Bureau reported cities such as New York, Chicago, Dallas, Denver, and Seattle in 2010 posted their highest growth rates in a decade, while newer Census Bureau data suggest a demographic reversal with cities growing faster than suburbs.[8] Some of this may be short-term due to the lingering effects of the 2008–2012 housing collapse.

However, for highly skilled younger Gen Y professionals the advantages of being located in the city outway those of the suburbs. Urban ammenties, a sense of community, and available public transit rank higher than auto access to suburban homes. Companies are responding to the urban focus of younger employees. Tech oriented firms in particular are going urban. Motorola, for example is relocating from their suburban campus in Libertyville, IL to the massive Merchandise Mart building in downtown Chicago. Even major Silicon Valley firms such as Yahoo are expand their San Francisco offices so they can better recruit young engineers who prefer living in the city.[9] The majority of the new urbanites are 20- to 34-year-olds.[10] Twitter is already headquartered in San Francisco and Google is also expanding downtown in the city. Meanwhile, for its young workers Google runs private high tech Google busses from city neighborhoods south to Silicon Valley. The downside of the influx of so many young higher income tech workers into San Francisco is that it is forcing out existing residents by sharply increasing rental and condo prices. This has become a major concern in the city. (See the Chapter 7 box titled "Brain-Gain Cities.")

A POLITICAL ECONOMY LOOK AT THE URBAN CRISIS

Why did first the urban crisis, and then urban revival, occur? Political economy theory suggests the changes are deliberate. Political economy academics hold that city problems do not occur in a vacuum, and city problems cannot be examined separately from the political, historical, and, particularly, economic system of which they are a part. Castells has argued, for example, that not only is the crisis of the cities real, but the decay of the central cities, their fiscal insolvency, and the flight to the suburbs all are inevitable and necessary consequences of a capitalistic economic system.[11]

The quest for ever-greater profits by large monopolistic corporations is seen as leading to government policies such as government-insured mortgages and subsidies for expressways. Corporations—and their

The South Bronx has been rebuilt from the devastation of the 1980s (above) to a pleasant neighborhood of row houses and apartments. Below are the Villa Maria homes on Fox Street in the South Bronx. Photo credits: above, © Michael Lipack/NY Daily News Archive Via Getty Images; Below, © M. Graff/The Image Works

wealthy managers—thus could move to the suburbs, where land costs and taxes were lower, while they still maintained the economic benefits of being near the central city.

The fiscal crisis of cities thus was not seen as the consequence of costly public services, too many public service jobs, and too much welfare, as conservative economists argued. Rather, for progressives the near "bankruptcy" of cities was the result of the corporations' rejection of increased taxes to pay for social services. The result was the abandonment and destruction of largely poor areas of the city, while corporations concentrate on issues important to themselves such as downtown redevelopment.[12] Social movements by the poor are either repressed or bought off. The consequence is said to be a future where the urban crisis is sharpened and mass repression and control become inevitable adjuncts of an exploitative metropolitan model. How one viewed the fiscal crisis reflected one's political orientation.

Political economists similarly analyze gentrification not as a result of the decisions of individual homebuyers, but as a conscious product of land-based interest groups able to control the real estate market.[13] Thus, investment capital was systematically moved out of inner cities and into suburbs because suburban profit rates were higher. The subsequent deterioration of inner-city neighborhoods led to the development of a rent gap, which in turn made it possible for capital to return to the central city seeking profits. The ownership class benefits from these decisions, while the costs of gentrification fall upon the urban poor in the form of displacement. Advocates of a non-Marxian political economy approach similarly see gentrification as a conscious action by business groups acting to ensure profits by maintaining an urban "growth machine" that boosts downtown economic development at the cost of neighborhoods.[14]

TWENTY-FIRST-CENTURY CITY DEVELOPMENTS

NEW PATTERNS

Overall, the economic and social health of cities shows a mixed pattern. The Census Bureau reports that after the recession, the fastest growing metro areas are again concentrated in the West and South.[15] Older industrial strongholds had the largest losses. While some city populations may have been falling, the per-capita income of city residents went up compared to those in the suburbs. The cities are gaining economic ground and housing prices are increasing. What this means is that within cities the smaller, wealthier households are increasing in number while larger, poorer families are not.

Overall the state of the cities is fiscally and—perhaps equally importantly—psychologically healthier than a decade or two ago. Bright new downtown developments and rebuilt and revitalized neighborhoods are signs of hope. There are also clear signs of movement of the well-off and upper-middle-class into older city neighborhoods. For example, Brooklyn, perennial second fiddle to Manhattan, has become the hot new-housing center of New York City. Brooklyn's neighborhoods, packed full of old buildings and weed-choked lots just two decades ago, are rebuilding and rehabbing at a furious rate.

On the debit side, poor and moderate-income families with children are doing less well. The real estate decline during the recession decreased the amount of affordable housing. Overall, the home ownership rate for families with children is lower than it was forty years ago.[16] Also, fiscally the cost of services is rising. Crime and drug-related violence, while down sharply from the highs of the early 1990s, still fray the social fabric. Some neighborhoods are physically experiencing regeneration, but deterioration of the physical infrastructure (e.g., water mains and sewers) remains an expensive, if often unseen, problem. Meanwhile, the national political climate does not favor new urban programs.

During the twenty-first century, it seems clear, not all cities are going to experience similar situations. Some will prosper, while others will not. For example, declines in traditional manufacturing may reflect urban deterioration, or may, as in Boston or Pittsburgh, spur the development of new urban roles as cultural and service centers. Cities such as Camden and Gary may remain stagnant regardless of valiant efforts to reverse the process. On the other hand, cities such as New York, Chicago, Dallas, and Los Angeles are economically vibrant, while Charlotte, Boston, Denver, and Seattle are prospering. Older cities such as Baltimore, Cleveland, Milwaukee, and Philadelphia have experienced problems, but also retain considerable vigor and attractiveness.

BOX 11.1 NEW ORLEANS: AFTERMATH TO AN AMERICAN TRAGEDY

On August 2005 New Orleans suffered the worst natural city catastrophe in American history. Hurricane Katrina, a Class 3 hurricane, breached New Orleans levies and flooded the city. What was a natural disaster soon turned into a man-made debacle due to the incompetence of both local officials and the Federal Emergency Management Agency (FEMA). The tragedy was further compounded by the apparent indifference of President Bush who, without anyone in charge of relief efforts, remained on vacation for several days after the tragedy.

Katrina left over 2,000 dead and the city's physical structure in shambles. Overall Katrina left 181,000 Gulf region homes and apartments destroyed, and hundreds of thousands of people uprooted. In New Orleans the poor suffered most with neighborhoods such as the low-lying Ninth Ward experiencing total destruction. Compounding New Orleans' physical devastation was social breakdown. As Katrina's flood waters lashed the city, all semblance of law and order disappeared. The city descended into weeks of chaos, violence, and looting. Several thousand people who took refuge in the Superdome had to endure days without food, medical assistance, or police protection from predators. Local government and policing essentially disappeared, and federal efforts were both tragically late and inadequate. City facilities and services were essentially wiped out. Of the city's eight pre-Katrina hospitals only two partially survived.

A decade after Katrina the French Quarter is again crowded with tourists, but the situation is far more mixed in many of the city's seventy-two neighborhoods. Outside the affluent Garden District, some neighborhoods still remain vacant. For years federal disaster assistance allocated for the city was tied up in bureaucratic red tape. The federal government allocated $4.6 billion to help people rebuild their homes and 107,000 applied, but by 2007 only 630 had received money.* Not until 2007 were the first two new houses built in the Ninth Ward, and they were built by a nonprofit housing organization.

Now the city is coming back. Crime is still a major problem, but more recent elections have replaced corrupt local officials with a more honest and efficient administration. Also the city has become a magnet for younger people forming new startups.† In many ways New Orleans has a new population. In the weeks following the storm at least 300,000 New Orleans residents left the city. Many were evacuated to Houston and other cities, never to return. The Census Bureau estimated the 2012 New Orleans population at 369,000. This is below its pre-Katrina size of 445,000, but much higher than had been predicted. Most demographers and economists predicted the city never would recover or regain its previous population.‡ The once-proud Crescent City may be a smaller place, but it now has an entrepreneurial spirit unknown before Katrina. And it still has excellent restaurants, jazz, and the Mardi Gras celebration.

*Associated Press, "New Orleans a 'Disaster' Report Says," *Richmond Times-Dispatch*, Feb. 26, 2007, p. A4.
†Summer Suleiman, "In Katrina's Shadow, New Orleans Startups Take Flight," *CNN*, December 5, 2012.
‡Adam Nossiter, "New Orleans of Future May Stay Half Its Old Size," *New York Times*, January 21, 2007, p. A1.

The urban renaissance is uneven, but clearly more prevalent than a decade ago. As Chapter 7 indicated, "brain-gain" cities such as Raleigh that attract and hold young educated workers are faring the best.

CENTRAL BUSINESS DISTRICTS

In evaluating what is happening in cities, it helps to distinguish between what is occurring in the economic heart of the city—the central business district (CBD)—and what is happening in residential neighborhoods. As suburban shopping mallsproliferated during the last decades of the twentieth century downtown sales declined. Aging downtown stores closed because they could not effectively compete with newer suburban malls. Business offices also went suburban. Wealthy San Jose, located in the Silicon Valley and with the highest housing prices of any city in the country, spent $1.2 billion on downtown redevelopment but still had a pre-recession 2007 CBD vacancy rate of 21 percent.[17]

On the other hand, CBDs generally have been reasonably successful in retaining business and government offices. And, as noted previously, they are attracting back businesses from suburban locations. Prior to 2008, many downtowns were experiencing a boom in high-rise construction. Chicago's downtown, for example, experienced its greatest growth in eighty years. Following 9/11 Lower Manhattan sprouted new buildings, and downtown Los Angeles underwent new construction.

Downtown buildings use space effectively. Offices concerned with processing knowledge and information can move vertically from floor to floor. Downtown remains a location of choice for insurance firms, financial and legal services, government, and administrative

headquarters of all sorts. Thus, United Airlines decision to move its administrative and business offices into Chicago's super high-rise Willis Tower. Manufactured goods, on the other hand, move goods much easier horizontally. Thus, new manufacturing facilities seek outlying locations with plenty of horizontal space. Downtowns no longer process goods; they process information.

Across the country cities are actively promoting downtown convention centers as an economic growth strategy. The last decade has witnessed city after city building convention centers and encouraging downtown hotel construction in order to attract conventions and trade meetings. Middle-sized cities now attract meetings that once were held only in a handful of the largest cities. Downtown shopping malls such as Harborplace in Baltimore and Quincy Market in Boston also draw tourists. Downtown markets can be found in Denver, San Antonio, Portland (Oregon), Seattle, and a host of other cities. Cultural activities, art, music, and theater centers are also part of the urban development strategy.

Overall, the picture is mixed. Downtown stores will never again have the unchallenged control of retail trade they exhibited during the centralizing era of the streetcar and subway; but so long as the downtown is a major white-collar employment center, the CBD will be a profitable location both for business and selected retail sales.

MISMATCH HYPOTHESIS

There is a catch, however, to all this downtown CBD economic development. Central-city offices provide new jobs—but only for those possessing specific professional white-collar skills. City manufacturing plants have largely moved to the suburbs—or, more frequently, abroad. The so-called "mismatch hypothesis" is that cities have blue-collar job seekers and white-collar job opportunities.[18] A mismatch exists between central-city residents' job skills and the type of information-age jobs being created in the city. Stagnant or declining inner-city manufacturing sectors offer scant employment opportunities for new workers with limited educational backgrounds and/or job experience. The availability of entry-level jobs that once attracted disadvantaged migrants to the cities has dropped precipitously.

Compounding the difficulty is that the cities experiencing the greatest loss of entry-level jobs over the past few decades have often been those with the largest minority populations. The result is school dropout rates, welfare dependency, and unemployment rates higher than national averages, as blue-collar employment opportunities contract and college-degree, white-collar opportunities expand.

Thus, depending on the worker's education and skill level, one can make both the case that urban job opportunities are expanding, and the case that urban job prospects are worsening.

DOWNTOWN HOUSING

The last decade has seen many cities make a major effort to transform downtowns into residential as well as business locations. Old manufacturing buildings are being recycled. Luxury condominiums are now located in converted factories, and new high-rise towers are commonplace. City administrations seek downtown residents in order to promote downtown shopping, restaurant, and cultural activities after 5 p.m. Manhattan experienced 8 million square feet of older commercial space going condo between 2001 and 2006.[19]

In the last decade the downtown population in major U.S. cities increased about 10 percent. The most successful North American city in bringing residents back downtown is Vancouver. While most cities in the U.S. would be delighted to have 2 to 4 percent of their residents living downtown, Vancouver has nearly 20 percent—and gaining.[20] Virtually all this has happened in the last twenty years as a result of rewriting zoning and property tax laws to encourage downtown residences. Moreover, the residential boom includes not just singles, couples, and empty-nesters, but a substantial number of families with children. In short Vancouver has the vibrant, safe, and glamorous downtown that every city seeks.

Ironically, the very success is causing problems. Since high-rise condos are cheaper to build than office building projects, virtually no new office buildings are being built. The concern is that without some balance Vancouver will suffer as a center of commerce, business, and jobs. In a decade or two, it could be a place where many people live, but few work.

Almost all North American cities would love to have some of Vancouver's "problems," with people moving into the downtown. Nonetheless, the issue of downtown residents competing with business for space is real. Vancouver's downtown residents also create a tax issue. Since commercial properties pay proportionally higher taxes than residences, having too many people living downtown means the tax base could suffer in the long run. However, at this point this is far from being an issue for most North American cities. Virtually all cities are seeking more downtown residents.

FISCAL HEALTH

While "saving the cities" was a major emphasis of federal programs thirty-five years ago, today municipalities are largely left to sink or swim on their own. President George W. Bush showed no interest in funding urban programs, especially programs that mostly benefited Democratic-voting central-city residents. President Obama has the interest, but in an era of major federal deficits, lacks the funding. The Republican 2012 presidential platform was 31,000 words long but didn't mention cities.[21]

Without federal help cities have substantially abandoned their earlier programs to fight poverty and solve social problems. Rather, municipalities increasingly focus on the day-to-day delivery of core services. Some see this as a positive move insofar as it means the city is concentrating efforts on those things it can do well and cutting back on those things it does less well, such as solving social problems. Others see it as abandonment of poor urban populations and areas. City mayors, both Republican and Democratic, have been privatizing city services. Under some circumstances this has improved services and saved money. For example, some years back Chicago's then-mayor Daley (the son of *the* Mayor Daley) privatized the towing of autos abandoned on city streets. Previously it cost the city to tow each auto; now the city is paid for each abandoned car private towing companies tow away. On the other hand, his selling of the rights to the city's parking meters has given Chicago the highest street parking rates in North America.

Cutting services and costs, however, is not the only reason for municipal financial solvency. Local governments also have been raising more revenues through higher property tax assessments. Cities still remain squeezed between growing expenditures due to an aging infrastructure and a concentration of higher-need populations on one hand, and a slower-growing tax base on the other. The larger the city, the greater the financial burden. Per capita debt is more than twice as high in cities of more than 1 million as in smaller cities. City administrators are concerned that cities are being stuck with higher tax burdens and unfunded state and federal mandates while their tax bases shrink. Of every dollar of taxes, 65 cents go to the federal government, 20 cents go to the states, and only the remaining 14 cents go to local governments.[22] Today, successful local governments are those that receive community support (i.e., taxes) for necessary services.

CRUMBLING INFRASTRUCTURE

Generally overlooked is the question of cities' physical infrastructure. The most severe problem is often antiquated water and sewage systems. In New York, bursting water mains and collapsing streets have become commonplace, yet relatively little is being done to remedy this. At the present level of construction, it would take more than two hundred years to replace New York City's streets and water mains and three hundred years to replace its sewers. Nor is New York alone; Philadelphia's sewers are falling apart, while Boston and Houston are plagued with hemorrhaging water mains. Decaying pipes leak not only water but money. While problems mushroom, the Environmental Protection Agency says the amounts utilities pay on large-scale repairs and improvements have been flat for two decades.[23] The EPA estimates that more than a million Americans become ill each year due to sanitary sewer overflows. Municipal sewage plants release 51 million pounds of toxic chemicals into public waters yearly. Atlanta, for example, has problems with sewage backup and in 2004 the Milwaukee sewage district released 4 billion gallons of raw sewage, the worst release in modern times. The Canadian city of Victoria as of 2014 was still dumping untreated sewage into the Pacific.[24]

How and why do such problems occur? The major reason is that it is relatively easy for politicians to ignore infrastructure needs until the problems become massive. Local and state politicians trying to cut taxes invariably

raid infrastructure funds. This creates huge and expensive problems for the next generation, but it is relatively safe politically, for it is only when infrastructure fails that it attracts attention. The problem, though, doesn't just go away. A U.S. Conference of Mayors study released in 2000 reported that 80,000 acres of land, more than Pittsburgh and Minneapolis combined, are polluted with toxic chemicals and deserted.[25] These urban sites, known as "brownfields," are both unsightly and dangerous. Such land can be cleaned, but banks and real estate developers are sometimes reluctant to clean and redevelop the land because they fear possible lawsuits from inadequate cleanup.

NEIGHBORHOOD REVIVAL

The purpose of the postwar urban renewal programs was to rebuild cities' inner cores to encourage middle-class residency. The effort was largely unsuccessful. Talk of a "back to the city" movement was not followed up by actual movement. As Chapter 6: The Suburban Era documents, the major population movement was outbound rather than directed toward the central city. The assumption for decades has been that those having the choice (i.e., middle-class homebuyers) will shun the central city for the suburbs.

However, the outward spread of suburbs has generated a countervailing pressure to recycle and rebuild older central-city neighborhoods. As previously noted, there now is a clear movement, especially by young professionals, toward residence in the central city.[26]

A revitalization or gentrification movement is taking place from Echo park in Los Angeles to the Bishop Arts District in Dallas, to Prospect Heights in New York older neighborhoods are recycling from periods of decline. While newcomer upper-middle-income couples are buying and restoring old homes coalitions of local government and community local nonprofit housing corporations have been restoring homes in poorer neighborhoods. Buildings and neighborhoods are coming back to life. (See Chapter 12: Housing Patterns, Sprawl, and Smart Growth for a discussion of HOPE VI housing programs.) The last decade has seen the rapid expansion of gentrification with some cities such as Boston, New York, Chicago, and San Francisco having experienced "turbo gentrification." This is when professionals and business investors compete for homes in a "hot" urban neighborhood.

GENTRIFICATION

Increasingly, the "right" neighborhood is sometimes not even previously residential. Rather old city warehouse or factories have been converted into upscale apartments and condos. Gentrification is especially likely to take place in areas with good transportation and having accessibility to the central core. Older houses undergoing restoration often have historic or architectural merit. While the homes may be in disrepair when purchased, they were originally constructed to standards generally unavailable in new suburban houses. Neighborhoods such as Brooklyn in New York, Lincoln Park West in Chicago, and Haight-Ashbury in San Francisco are examples of once-marginal neighborhoods that now are expensive "in" places to live.

Middle-class in-movement to older central-city neighborhoods challenges the classical Burgess model of growth (discussed in Chapter 4: Ecology and Political Economy Perspectives). The filtering down economic model says that this in-movement should not be occurring. Rather, older central-city residences should filter down to the economically marginal. Also, according to the original Burgess model, central-city residential property is vacated for commercial or industrial usage. Today, the pattern is the reverse; formerly commercial buildings and warehouses are being rehabilitated as residences. The SoHo section of New York, for instance, contains older commercial structures that have been transformed into stylish apartments, shops, and restaurants. However, most of the regeneration is occurring in older neighborhoods. With good access to the downtown. Neighborhoods such as Ansley Park in Atlanta, the Fan in Richmond, Virginia, New Town in Chicago, Five Points in Denver, Montrose in Houston, the Mission District in San Francisco, Capitol Hill in Washington, DC, and Tribeca in New York all are physically more robust than they were decades ago.

Often overlooked in discussing neighborhood revitalization is the regeneration of working-class neighborhoods as working-class areas. Even the term *gentrification* suggests that newcomers are young professionals of higher income and status than existing residents. This is not always the case. Upgrading of working-class neighborhoods is often less dramatic because newcomers, while often younger, are not that different from existing residents in terms of ethnic or social-class characteristics.[27] Physical improvements may be slow to show in city data since residents often make home improvements without getting building permits. The important point is that local residents have accomplished neighborhood improvement without middle-class influx and without the displacement of existing residents.

BOX 11.2 HARLEM UNEASILY CONFRONTS GENTRIFICATION

Some city neighborhoods are now gentrifying at a rapid pace. Harlem, once the epicenter of black culture and noted for the artistic Harlem Renaissance of the 1920s, had by the later part of the twentieth century sunk into social dissolution and physical decay. The 1968 Fair Housing Act allowed middle-class blacks to move out. Harlem fell apart with outdoor drug markets and crack houses openly doing business with drug buyers lining up on the street. Physically, more and more buildings were abandoned. By 1990 the only fresh paint being applied in Harlem was gang graffiti. Old and young had become accustomed to public gun battles and losing friends to vendettas.

Then in the mid-1990s change began coming to Harlem. At first it was slow, but by the early twenty first century a flood of newcomers already had come to Harlem, and it was rapidly gentrifying with new apartments and trendy stores. Harlem has always enjoyed a number of advantages. It occupies a prime Manhattan location with easy commutes downtown. Moreover, its brownstones and apartment buildings were originally constructed to high standards. Only their initial quality had allowed them to survive decades of neglect. Many middle- and working-class blacks had reluctantly abandoned Harlem as its crime rates skyrocketed and it became an unsafe place to live.

The change in Harlem's future can be linked to the police department's 1994 start of an extensive precinct-based assault on both violent crime and quality-of-life crime. Major drug dealers were shut down and even minor infractions such as publicly smoking marijuana or urination on the street landed perpetrators in jail. Identification was demanded of young men hanging out, and portable computers allowed police to immediately check anyone they stopped for outstanding warrants. As a result of regular patdowns, the carrying of guns radically decreased as did open drug dealing, public drinking, and even hanging out in public. (In 2013 a court ruled New York's "stop and frisk" policy unconstitutional.)

Young men reluctantly credit the police for making the carrying of weapons "outdated." The tough police tactics produced strong resentment among young males, but it also dropped the 32nd Precinct homicide rate from fifty-two homicides in 1994 to twelve in 2011. Violent crime is still a problem in Harlem.* Still newcomers flock to buy and restore Harlem's housing.

However, some residents view the dramatic upgrading of their community with unease as well as hope. The anxiety is because revitalization is also bringing some measure of racial integration.† Whites are moving into a community that African Americans have long considered theirs. Increasing racial and ethnic diversity has produced wariness and unease, even among some African American scholars who previously lamented white abandonment of the city. The mixed feelings are expressed by the sociologist Mary Pattillo, who once lived in Harlem: "If Harlem becomes integrated, is it still Harlem in the way everybody says Harlem and has a vision of it? I would like Harlem to stay a black neighborhood and a strong black cultural space. But my political and policy opinion is that I know that segregation allows neighborhoods to be strangled."‡

Further complicating what is happening in Harlem is that racial changes are also often class changes. Upper-middle-income whites are moving into what was a lower-income minority community. While appreciating the increased safety, civility, and physical improvement of the neighborhood, longer-term residents wonder whether rising property values will eventually force them out. And even if that doesn't occur will a racially integrated Harlem be the same place? Will the control, customs, and way of living shift from that of a black community to a multiracial community? Will Harlem revive but lose its black soul? One sign of the dramatic rapidity of Harlem's change is that in 2001, ex-President Bill Clinton moved his office and staff into new business space in Harlem.

*Ginia Bellafante, "Violent Crime Fell? Tell it to East Harlem," *New York Times*, January 6, 2013.
†Janny Scott, "White Flight, This Time toward Harlem," *New York Times*, February 25, 2001.
‡Ibid.

GOVERNMENT AND REVITALIZATION

In the postwar years the federal government sponsored urban clearance and renewal and supported redevelopment authorities concerned with rebuilding

In Chicago gentrification of old neighborhoods places homes built over one hundred years apart side by side.
Sally Ryan/New York Times/Redux

the economic and physical structure of the central city. By contrast, urban gentrification has been funded almost entirely by the private sector. Initially municipal governments played a negative role in urban gentrification. During the 1970s and early 1980s, when gentrification was just getting started, negative municipal behaviors and attitudes often served as a catalyst bringing neighbors together. Whether it was failure to enforce building codes, inadequate police protection, poor garbage collection and sanitation, or just general neglect of the area, the lack of appropriate government action often brought residents together in opposition to city hall.

Today, municipal governments overwhelmingly support gentrification, largely because it brings more affluent taxpayers. However, there is considerable dispute as to the role government housing policies are playing in contemporary low-income urban gentrification. Wyly and Hammel argue for the crucial role played by low-income housing assistance, while Kasarda, Berry, and Marcuse remain far more doubtful whether changes in mortgage lending have changed the gentrification process.[28]

WHO IS GENTRIFYING?

Descriptive accounts suggesting that urban renovators are disillusioned suburbanites returning to the city from the suburbs are in error. Although one commonly hears the phrase "return to the city," most in-movers actually come from other areas of the city. The best predictor of an affluent in-mover is someone who already lives in a central-city location.[29] Thus, those gentrifying are perhaps better described as "urban stayers," than as "urban in-movers."

Renovators are generally young or middle-aged adults, childless, white, urban-bred, well-educated, employed in professional or managerial positions, and earning middle-class to upper-middle-class incomes.[30] Many are "dinks" (Dual Income, No Kids). However, research suggests that it is the older community residents who are best integrated into neighborhood social networks and have high levels of community participation.[31]

WHY IS GENTRIFICATION TAKING PLACE?

The following three factors help to explain urban revitalization.

Demographic Changes

Today young adults often live independently, and there are relatively high rates of separation and divorce. Where in the past there would be one household of several people, today there is often fragmentation into several households, each containing fewer people, which increases housing demand. The census has documented the decline in marriage, later age at marriage, increases in unmarried couples, and declines in the number of young children per family.[32]

Other demographic changes include more nontraditional living arrangements, later birth of the first child, increasing entry of both single and married women into the labor force, and a rising number of dual-wage-earner families. Taken together these factors represent a decline of the sort of "familism" that played such an important part in the postwar flight to the suburbs. The post–World War II American ideal of a suburban home, your own backyard, and good schools neatly met the needs of new families with children. However, this option has far less appeal for contemporary two-career couples without children. Inner-city living is particularly attractive for gays and nontraditional households. To the extent that aggregate demographic changes are producing more nontraditional family units than ever before, we have partial explanation of urban revitalization of central-city neighborhoods.

Economic Changes

Economic considerations, particularly for single persons or two-income households, often encourage a central-city location. Commuting costs, in terms of time as well as money, can be especially high when both partners commute to work. If one or both works downtown, commuting time can be cut substantially, and public transit often can be used, saving second car and parking fees. Suburban home heating and cooling expenses in an era of rising energy costs also are expensive. Couples are rediscovering what their grandparents knew: heating and/or cooling a two-story townhouse with buildings on either side is more efficient than heating and/or cooling a freestanding home.

Revitalizing existing city housing also can be less expensive than new construction on the suburban periphery. This is especially the case if the new urban homeowners are willing to put in sweat equity by doing some rehabilitation and upgrade work themselves. Most important, mortgage funds for city properties are now likely to be available.

Lifestyle Choices

Urban living is "in" and city households often are not "typical" two-children families. Young couples are postponing, and sometimes sidestepping, matrimony and childbearing. Gentrifiers espouse an urban lifestyle that emphasizes urbanity, historical preservation, architectural design, and urban amenities such as good local restaurants. The potential quality of the housing units, the greater convenience to central-city work, and the availability of adult amenities associated with the central city dovetail well with the needs of the increasingly numerous, smaller-sized, adult-oriented households. Inner-city living has a special appeal to the gay community.

A serious liability of many central-city neighborhoods—the low quality of city schools—does not weigh as heavily on urbanites without children. The availability of cultural and social activities and shorter commuter time are more important. Establishments and activities that low-density suburban areas tend to ban, such as late night bars, restaurants, and grocery stores, are just the things that give high-density urban areas their vitality. A growing number of middle-class urbanites are, in effect, voting for sticking with their image of good city life.

After postwar decades in which newer homes were more or less automatically judged better, older restorable houses are now considered more desirable. To central-city aficionados, the ones to be pitied are suburbanites who remain trapped in outlying suburban housing sub-developments.

DISPLACEMENT OF THE POOR

Local boosters and politicians support gentrification because it raises tax revenues. On the other hand, displacement can potentially create havoc for poorer

incumbent residents. Is gentrification making the poor urban nomads, priced or pushed out of their neighborhoods?

Anecdotal evidence suggests displacement can be especially difficult for poor elderly householders. Frequently, it is stated that lower-income black residents are being replaced by middle- and upper-income white residents.[33] Displacement, however, needs to be placed in perspective. The impression is sometimes given that prior to the onset of revitalization both the neighborhood and its population were stable and secure. This assumption is usually inaccurate. While displacement of long-term neighborhood residents certainly does occur, those displaced are most often low-income renters, and low-income renters as a group have high residential mobility. For example, according to census data, nearly 40 percent of all low-income renters move at least once a year. For those who rent from month to month rather than under long-term leases, moves are very frequent. Low-income areas undergoing revitalization thus commonly have high levels of residential mobility, sometimes due to eviction.

Recent research by Freeman on two black neighborhoods undergoing gentrification found that gentrifying neighborhoods experience less, not more, movement out of the neighborhood.[34] He also found that gentrification may actually be a boon to longtime residents. Research by the Federal Reserve also indicates that from a financial perspective it is better to be a resident of a low-price neighborhood that is gentrifying that one that is not. This is true whether residents of the gentrifying neighborhood own their homes or rent, and whether they stay or move out of the neighborhood.[35] Appreciating home values provides some older homeowners an opportunity to sell and more comfortably retire elsewhere. When examined closely some of the hand-wringing over too-rapid economic upgrading of urban neighborhoods has a bit of an "Alice in Wonderland" quality to it. Some of those who are the first to condemn middle-class flight from the city are the same ones complaining about the middle-class moving into gentrifying central-city areas. Their complaint is that too many middle-class buyers are moving into city neighborhoods and too much housing is being upgraded.

Regardless, gentrification is likely to be an increasing urban occurrence during the twenty-first century. The importance of gentrification lies not only in its amount, but also in that it represents a reversal of the long-term trend against middle- and upper-middle-class city living.

DECLINE OF MIDDLE-INCOME NEIGHBORHOODS

All the good news about cities is challenged by a sobering but little noticed fact: urban middle-income neighborhoods, the icon of the American dream, are not doing well. Upper income neighborhoods may be increasing but the number of middle-income neighborhoods is shrinking. For the one hundred largest metro areas in the U.S., middle-income neighborhoods made up six out of ten (58 percent) of all metropolitan neighborhoods in 1970, but they made up only four out of ten (41 percent) in 2000.[36] Rising income inequality has led to rising income segregation. Neighborhoods are becoming more and more economically homogeneous, with the affluent living with affluent and lower-income living with lower-income. In 1970 over half (55 percent) of lower-income families lived in middle-income neighborhoods. By 2000 this was down to just over a third (37 percent) of poorer families living in middle-income areas.[37]

While much attention and research has focused on both the well-to-do and the poorer communities in cities, very little notice has been given to the "hollowing out" of middle-class neighborhoods. Moderate-income communities, once the backbone of the city, are becoming less numerous. This is a serious problem. Suburban middle-class communities have been more likely to retain their middle-income profile.

SUCCESSFUL WORKING-CLASS REVIVAL

Is it possible for cities to provide decent housing for low-income working-class residents? Across the country local governments, together with local nonprofits, have stepped in to build homes for lower-income working-class populations. Working with community groups and local nonprofit housing corporations, the city of New York, for example, has worked a quiet revolution. By the mid 1990s some 50,000 new residences had been created in what had been the most devastated areas of the city.[38] This was a massive undertaking because by the 1980s large areas of the South Bronx, Harlem, and Brooklyn had become littered with the burned-out hulks of more than 5,000 abandoned buildings.

Rather than just trying one program, the city tried a number of approaches to revitalize abandoned buildings and vacant land that it had come to own through foreclosures. Some of the vacant shells of buildings were given over to private developers for rehabilitation, some were given to churches and nonprofit community groups, and some rehabilitation was done by large city-hired construction companies. It turned out that the top-of-the-line city-hired companies had major cost overruns and that smaller firms with rehabilitation experience were more effective. Private rehabilitation with government subsidies was effective, but by far the best results have been obtained by locally run community action groups and nonprofits. By 2000 more than 3,000 abandoned apartment buildings, with some 44,000 apartment units, had been rebuilt. Additionally, over 100,000 units had been moderately rehabilitated in occupied buildings. Also, some 16,000 one-, two-, and three-family new townhouses were constructed on vacant city-owned land and sold to working families.[39] As of 2010 over 200,000 moderate or low income housing units had been built or rehabilitated.

However, success wasn't automatic. Initially, much against the wishes of community organizers, the city filled buildings with homeless families. Local organizers argued that it was foolhardy to put so many poor and troubled families together. They were right. As the level of experience with revitalization has grown, the city has learned from its mistakes. Now more working families are being intermixed with poor families. There is also more effort now on scattered-site infilling of vacant lots.

The overall result of New York's efforts has been a true inner-city success story. Twenty-five years ago anyone taking Interstate 95 through New York on the Cross-Bronx Expressway saw acres of abandoned apartment buildings. The city administration tried unsuccessfully to hide this by painting shutters and flowerpots on the plywood-covered windows facing the expressway. Today restored or replaced buildings have been brought back to full occupancy. What was vacant wasteland now houses rows of attached single-family townhouses. New York's programs and their success may be atypical, but it indicates what can be done.

SUMMARY

It is part of the "common knowledge" about cities that we live in an age of urban crisis. However, the last decades actually shows the quality of urban life improving. Crime rates are down, and central cities are showing economic vigor. Political economy models see the decline of the central city and the flight to the suburbs not as a result of individual choices, but as the inevitable consequence of a capitalistic economic system. Urban decline and decay are seen as the deliberate abandonment of the central city for corporate profit. Gentrification is similarly seen not as individual actions, but as the conscious economic policy of business and government elites.

The second decade of the twenty-first century show some older industrial cities—such as Portland, Oregon, and Pittsburgh—reinventing themselves as post-industrial places. Others, such as Camden and Gary, have not. The urban renaissance is real, but uneven. Most cities are again growing, and the city is again the place to be foryoung professionals. To attract new workers tech firms are increasingly relocating from suburban to downtown locations. City housing quality is increasing, but the working-class have problems with housing affordability. Central business districts (CBDs) have lost their retail trade dominance, but have been more successful in retaining and gaining business and government offices. Downtowns no longer process goods, they process information.

The twenty-first century shows downtowns are increasingly vital. Across the country downtown office buildings and downtown cultural and convention centers have been constructed. The goal of downtown housing also is becoming a reality in many North American cities. Vancouver may, in fact, have a problem with too many people moving into downtown residences.

Within cities there is a mismatch between the information-age jobs being created and the entry-level

skills of poorer central-city residents. The entry-level manufacturing jobs that once attracted disadvantaged ethnic and minority groups to the city no longer exist. Also the federal programs that helped support cities thirty years ago are largely gone and unlikely to return. In order to remain solvent, municipalities today concentrate on providing basic city services at the lowest possible cost. This may include privatizing some city services, such as garbage collection. A growing problem is that city infrastructure problems have largely been ignored and much-needed major upgrades put off.

Gentrification of older city neighborhoods is now a widespread urban phenomenon. However, it doesn't involve all city neighborhoods and does not represent a "back to the city" movement. Those gentrifying or revitalizing older decaying neighborhoods are, demographically, young or middle-aged white collar adults, often without children. Single or gay households are also attracted to the urban adult advantages of shorter commuting time and easily available restaurants and bars. Gays are particularly attracted to gentrifying neighborhoods. The generally poor quality of urban schools and the lack of urban play space weigh less heavily on households that do not have school-age children.

The moderate pace of gentrification in most cities means that the displacement of the poor has, to date, not been a grave problem. Those displaced are usually poor short-term renters rather than long-time neighborhood occupants. Recent research shows that lower income neighborhood resident, whether owner or renter, is better off ecomically living in a neighborhood that is gentrifying than one that is not.

A largely unnoticed urban housing problem is the substantial decline in the number of middle-income urban neighborhoods. Middle-class neighborhoods are being "hollowed out" with more homogeneous affluent and more poor communities. This is an increasingly serious problem. A bit of good news is that we have discovered that it is possible for cities to provide good-quality housing for low-income residents. Over the last twenty-five years New York has built or rehabilitated more than 200,000 new housing units in the once-devastated South Bronx, Harlem, and Brooklyn using a combination of government, nonprofit building corporations, and private funds. The most successful buildings and projects are those self-managed by the residents and local nonprofit housing corporations.

KEY CONCEPTS

Urban Crisis
Urban Revival
Political Economy View
New City Patterns
Mismatch Hypothesis
Downtown Housing
Fiscal Health
Infrastructure
Neighborhood Revival
Gentrification
Role of Government
Causes of Revitalization
Displacement of Poor
Middle-Income Neighborhood Decline
Revival of Working-Class Neighborhoods

REVIEW QUESTIONS

1. What is the urban crisis thesis and the urban revival antithesis and what is the current situation?
2. How does the political economy approach explain the urban crisis?
3. What is the "mismatch hypothesis" and how does it impact urban vitality?
4. What is the current status of gentrification and who is gentrifying?
5. What positive and negative changes are occurring as a result of gentrification in Harlem?
6. Why and where is gentrification taking place?
7. Is displacement of the poor a major consequence of gentrification, and how serious is the problem?
8. Is there currently a sizable "back to the city" movement, and why or why not?
9. What has been New York's experience with urban rehabilitation of the South Bronx?
10. How would you relate the text's statement that the urban crisis "is a long-standing one of opportunity (lack of employment), rather than a short-term one of fiscal management" to problems in urban America?

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